DONGJIANG ENVIRONMENTAL COMPANY LIMITED*
東江環保股份有限公司

(a joint stock limited company incorporated in the People's Republic of China)

(Stock code: 00895)

INSIDE INFORMATION
SUMMARY OF 2021 THIRD QUARTERLY REPORT

This announcement is made pursuant to Rules 13.09 and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the overseas regulatory announcement issued by Dongjiang Environmental Company Limited* (the "**Company**") dated 29 October 2021 (the "**Announcement**") in relation to the full 2021 Third Quarterly Report for the nine months ended 30 September 2021 ("**Reporting Period**") of the Company. Set out below is a summary of the key information as set out in the said quarterly report:

Unless otherwise specified, financial information of the Company is presented in Renminbi ("**RMB**").

FINANCIAL STATEMENT

1. CONSOLIDATED BALANCE SHEET

Unit: RMB

Item	As at 30 September 2021 (unaudited)	As at 31 December 2020 (audited)
Current assets:		
Monetary fund	547,893,045.24	661,656,688.47
Settlement Deposits		
Placements with banks and other financial institutions		
Held-for-trading financial assets		
Derivative financial assets		
Notes receivable		300,000.00

Accounts receivable	1,023,842,433.92	888,802,439.18
Receivables financing	149,579,361.62	117,391,305.95
Prepayments	74,102,386.12	33,947,171.83
Premium receivable		
Reinsurance accounts receivable		
Provision for reinsurance contract receivable		
Other accounts receivable	171,963,490.36	156,897,582.94
Including: Interest receivable		
Dividend receivable		
Purchase and resale of financial assets		
Inventories	366,893,343.89	267,104,699.13
Granted loans and advances	104,124,200.00	125,724,200.00
Contractual assets	88,983,625.35	97,752,957.43
Assets held-for-sale		
Non-current asset due within one year	40,191,638.92	40,962,345.11
Other current assets	181,359,910.20	164,106,276.05
Total current assets	2,748,933,435.62	2,554,645,666.09
Non-current assets:		
Granted loans and advances		
Debt investments		
Other debt investments		
Long-term accounts receivable	9,634,676.00	9,057,812.00
Long-term equity investment	303,893,520.34	292,133,513.22
Investment in other equity instruments	4,242,896.51	
Other non-current financial assets		
Investment properties	449,741,430.00	449,741,430.00
Fixed assets	4,187,609,592.13	3,199,533,468.35
Construction in progress	1,051,792,677.83	1,088,213,867.20
Productive biological assets		
Oil and gas assets		
Right-of-use assets	4,822,183.36	10,899,231.78
Intangible assets	1,409,824,209.37	1,418,874,900.81

Development expenditure	14,260,270.48	9,614,581.39
Goodwill	1,241,615,964.68	1,229,437,530.02
Long-term unamortized expenses	45,008,048.53	32,173,218.27
Deferred income tax assets	53,459,283.79	53,042,099.67
Other non-current assets	38,913,186.07	76,786,162.39
Total non-current assets	8,814,817,939.09	7,869,507,815.10
Total assets	11,563,751,374.71	10,424,153,481.19
Current liabilities:		
Short-term borrowings	1,541,130,085.52	1,812,588,806.04
Borrowings from central bank		
Loans from other banks		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable	310,000,000.00	
Accounts payable	694,829,701.41	729,966,510.14
Receipts in advance	93,750.00	129,759.30
Contractual liabilities	161,218,680.20	131,914,557.55
Proceeds from disposal of financial assets under agreements to repurchase		
Receipt of deposits and deposits from other banks		
Funds received as agent of stock exchange		
Funds received as stock underwriter		
Employee benefits payables	54,421,945.01	59,679,041.02
Tax payable	38,723,072.20	61,242,883.07
Other accounts payable	471,119,258.39	596,813,443.81
Including: Interest payable		
Dividend payable		
Handling fees and commission payable		
Reinsurance accounts payable		
Liabilities held-for-sale		
Non-current liabilities due within one year	114,844,782.68	183,802,949.40
Other current liabilities		

Total current liabilities	3,386,381,275.41	3,576,137,950.33
Non-current liabilities:		
Provision for insurance contracts		
Long-term borrowings	1,284,287,199.49	661,587,707.50
Bonds payable	1,099,206,612.75	599,438,388.07
Including: Preferred shares		
Perpetual bond		
Lease liabilities		3,570,738.23
Long-term accounts payables	317,974.94	337,259.90
Long-term employee benefits payables		
Estimated liabilities	27,733,469.21	27,733,469.21
Deferred income	150,688,844.04	161,769,484.91
Deferred income tax liabilities	37,716,531.43	19,939,483.66
Other non-current liabilities		
Total non-current liabilities	2,599,950,631.86	1,474,376,531.48
Total liabilities	5,986,331,907.27	5,050,514,481.81
Owners' equity:		
Share capital	879,267,102.40	879,267,102.40
Other equity instruments		
Including: Preferred shares		
Perpetual bond		
Capital reserve	463,257,436.35	465,447,803.48
Less: Treasury stock		
Other comprehensive income	17,639,324.65	17,630,505.29
Special reserves	2,523,332.22	1,795,049.51
Surplus reserves	236,849,262.89	236,849,262.89
Provision for normal risks	5,611,350.00	5,611,350.00
Undistributed profits	2,998,641,203.36	2,932,961,856.36
Total equity attributable to owners of the parent company	4,603,789,011.87	4,539,562,929.93
Minority interests	973,630,455.57	834,076,069.45
Total owners' equity	5,577,419,467.44	5,373,638,999.38
Total liabilities and owners' equity	11,563,751,374.71	10,424,153,481.19

2. CONSOLIDATED INCOME STATEMENT FOR THE REPORTING PERIOD

Unit: RMB

Item	For the nine months ended 30 September 2021 (unaudited)	For the nine months ended 30 September 2020 (unaudited)
I. Total operating revenue	2,642,161,075.64	2,302,366,568.05
Including: Operating revenue	2,642,161,075.64	2,302,366,568.05
Interest income		
Premium income		
Handling charges and commission income		
II. Total operating cost	2,486,101,801.05	2,105,098,072.00
Including: Cost of operation	1,890,838,184.46	1,567,491,458.81
Interest expenses		
Handling charges and commission expenses		
Surrenders		
Net claims expenses		
Net provisions for insurance contracts reserve		
Insurance policy dividend paid		
Reinsurance costs		
Tax and levies	30,038,626.45	30,889,053.59
Selling expenses	87,007,124.74	77,465,341.76
Administrative expenses	291,036,032.77	261,130,188.01
Research and development expenses	99,592,897.45	79,968,773.91
Finance costs	87,588,935.18	88,153,255.92
Including: Interest expense	92,552,557.96	97,044,016.92
Interest income	5,426,471.90	10,097,769.35
Add: Other gains	46,666,023.32	79,172,053.20
Gain from investment (Loss represented in "-" signs)	11,436,637.09	10,124,271.71

Including: Investment revenue in associates and joint ventures	11,760,007.12	10,329,705.27
Gain on derecognition of financial asset measured at the amortized cost		
Exchange gain (Loss represented in "-" signs)		
Gain from net exposure hedges (Loss represented in "-" signs)		
Gain on fair value changes (Loss represented in "-" signs)		
Credit impairment loss (Loss represented in "-" signs)	-11,361,141.51	-5,095,397.63
Asset impairment loss (Loss represented in "-" signs)		
Gain on disposal of assets (Loss represented in "-" signs)	3,771,349.91	17,553,490.97
III. Operating profit (Loss represented in "-" signs)	206,572,143.40	299,022,914.30
Add: Non-operating income	4,376,960.35	5,183,341.64
Less: Non-operating expenses	12,400,560.70	5,696,451.35
IV. Total profit (Total loss represented in "-" signs)	198,548,543.05	298,509,804.59
Less: Income tax expenses	26,790,680.81	61,633,130.95
V. Net profit (Net loss represented in "-" signs)	171,757,862.24	236,876,673.64
(1) Classified on a going concern basis		
1. Net profit from continuing operations (Net loss represented in "-" signs)	171,757,862.24	236,876,673.64

2. Net profit from discontinued operations (Net loss represented in "-" signs)		
(2) Classified according to the ownership		
1. Net profit attributable to owners of the parent company	162,398,728.22	229,409,573.93
2. Profit and loss attributable to minority interests	9,359,134.02	7,467,099.71
VI. Other comprehensive income, net of tax	8,819.36	965,019.22
Other comprehensive income attributable to owners of the parent company, net of tax	8,819.36	965,019.22
(1) Items cannot be reclassified to profit and loss		
1. Changes arising from remeasurement of defined benefit plan		
2. Other comprehensive income that cannot be reclassified into profit or loss under the equity method		
3. Changes in fair value of other equity instrument investments		
4. Change in fair value due to enterprise's own credit risk		
5. Others		
(2) Items can be reclassified to profit and loss	8,819.36	965,019.22
1. Other comprehensive income that can be reclassified into profit or loss under the equity method		

2. Changes in fair value of other debt investment		
3. Amount of financial assets reclassified into other comprehensive income		
4. Credit impairment provisions for other debt investments		
5. Reserves for cash flow hedge		
6. Exchange difference on translation of financial statement in foreign currency	8,819.36	965,019.22
7. Others		
Other comprehensive income attributable to minority interests, net of tax		
VII. Total comprehensive income	171,766,681.60	237,841,692.86
Attributable to owners of the parent company	162,407,547.58	230,374,593.15
Attributable to minority interests	9,359,134.02	7,467,099.71
VIII. Earnings per share:		
(1) Basic earnings per share	0.18	0.26
(2) Diluted earnings per share	0.18	0.26

3. CONSOLIDATED CASH FLOW STATEMENT FOR THE REPORTING PERIOD

Unit: RMB

Item	For the nine months ended 30 September 2021 (unaudited)	For the nine months ended 30 September 2020 (unaudited)
I. Cash flows from operating activities:		
Cash received from sales of goods and rendering of services	2,684,507,318.59	2,606,269,259.25
Net increase in customer deposits and interbank deposits		
Net increase in borrowings from central bank		
Net increase in placements from other financial institutions		
Cash received from original insurance contract premium		
Net cash received from reinsurance business		
Net increase in deposits and investments from policyholders		
Cash received from interest, handling charges and commission	3,348,913.49	6,920,094.69
Net increase in placements from banks and other financial institutions		
Net increase in cash from repurchase business		
Net cash received from securities brokerage services		
Refund of taxes and levies	14,401,643.47	38,464,476.63
Other cash receipts relating to operating activities	22,811,091.59	32,651,249.66
Sub-total of cash inflows from operating activities	2,725,068,967.14	2,684,305,080.23
Cash paid for goods and services	1,725,775,120.13	1,361,873,664.53
Net increase in customer loans and advances	-21,600,000.00	-25,440,000.00
Net increase in deposits with central bank and other banks		

Cash paid for compensation under original insurance contract		
Net increase in placements with banks and other financial institutions		
Cash paid for interests, handling charges and commissions		
Cash paid for policyholders' dividend		
Cash paid to and on behalf of employees	512,406,936.68	448,887,033.26
Payments of taxes and levies	133,086,004.06	200,701,636.46
Other cash payments relating to operating activities	119,059,604.32	71,857,556.85
Sub-total of cash outflows from operating activities	2,468,727,665.19	2,057,879,891.10
Net cash flows from operating activities	256,341,301.95	626,425,189.13
II. Cash flows from investing activities:		
Cash received from investments		
Cash received from returns on investments		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	5,047,721.60	31,236,156.26
Net cash received from disposal of subsidiaries and other operating units		
Other cash receipts relating to investing activities		
Sub-total of cash inflows from investing activities	5,047,721.60	31,236,156.26
Cash paid to acquire fixed assets, intangible assets and other long-term assets	687,197,370.48	727,614,197.08
Cash paid on investments	14,715,671.23	43,872,500.00
Net increase in pledged loans		
Net cash paid on acquisition of subsidiaries and other operating unit	394,444,419.15	
Other cash payments relating to investing activities	1,067,070.05	

Sub-total of cash outflows from investing activities	1,097,424,530.91	771,486,697.08
Net cash flows from investing activities	-1,092,376,809.31	-740,250,540.82
III. Cash flows from financing activities:		
Cash received from financing	9,000,000.00	69,100,000.00
Including: Cash received by subsidiaries from investment from minority shareholders	9,000,000.00	69,100,000.00
Cash received from borrowings	2,917,981,257.12	2,305,207,180.77
Cash received from other financing activities		
Sub-total of cash inflows from financing activities	2,926,981,257.12	2,374,307,180.77
Cash payments for settlement of borrowings	1,956,022,654.64	2,455,281,254.80
Cash payments for distribution of dividend, profit or interest expenses	251,827,926.60	308,838,978.78
Including: Cash payments for distribution of dividends and profit by subsidiaries to minority shareholders	38,500,000.00	52,270,000.00
Other cash payments relating to financing activities		
Sub-total of cash outflows from financing activities	2,207,850,581.24	2,764,120,233.58
Net cash flows from financing activities	719,130,675.88	-389,813,052.81
IV. Effect of foreign exchange rate changes on cash and cash equivalents	8,819.36	-1,168,429.17
V. Net increase in cash and cash equivalents	-116,896,012.12	-504,806,833.67
Add: Balances of cash and cash equivalents at beginning of period	653,578,988.47	1,096,743,745.12
VI. Balances of cash and cash equivalents at end of period	536,682,976.35	591,936,911.45

Shareholders and potential investors of the Company should refer to the 2021 Third Quarterly Report set out in the Announcement for more details.

The board of directors, supervisory committee and the directors, supervisors and senior management of the Company undertake that the 2021 Third Quarterly Report does not contain any false information, misleading statements or material omission, and severally and jointly accept full responsibility for the truthfulness, accuracy and completeness of the contents contained in the 2021 Third Quarterly Report.

The financial information for the nine months ended 30 September 2021 set out above is unaudited and prepared in accordance with the accounting principles generally accepted in the People's Republic of China.

By order of the Board
Dongjiang Environmental Company Limited*
Tan Kan
Chairman

Shenzhen, the PRC, 29 October 2021

As at the date of this announcement, the board of directors of the Company comprises two executive Directors, being Mr. Tan Kan and Mr. Lin Peifeng; three non-executive Directors, being Mr. Tang Yi, Ms. Shan Xiaomin and Mr. Jin Yongfu and three independent non-executive Directors, being Mr. Li Jinhui, Mr. Siu Chi Hung and Ms. Guo Suyi.

* *For identification purposes only*